

*What Every Member of the  
Trade Community Should Know About:*

***Vehicles, Parts and  
Accessories  
Under the HTSUS***



*An Informed Compliance Publication*

*Revised February 2001*

**U.S. CUSTOMS**

## **NOTICE:**

This publication is intended to provide guidance and information to the trade community. It reflects the Customs Service's position on or interpretation of the applicable laws or regulations as of the date of publication, which is shown on the front cover. It does not in any way replace or supersede those laws or regulations. Only the latest official version of the laws or regulations is authoritative.

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## PREFACE

On December 8, 1993, Title VI of the North American Free Trade Agreement Implementation Act (Pub. L. 103-182, 107 Stat. 2057), also known as the Customs Modernization or “Mod” Act, became effective. These provisions amended many sections of the Tariff Act of 1930 and related laws.

Two new concepts that emerge from the Mod Act are “***informed compliance***” and “***shared responsibility***,” which are premised on the idea that in order to maximize voluntary compliance with Customs laws and regulations, the trade community needs to be clearly and completely informed of its legal obligations. Accordingly, the Mod Act imposes a greater obligation on Customs to provide the public with improved information concerning the trade community's rights and responsibilities under the Customs and related laws. In addition, both the trade and Customs share responsibility for carrying out these requirements. For example, under Section 484 of the Tariff Act as amended (19 U.S.C. §1484), the importer of record is responsible for using reasonable care to enter, classify and determine the value of imported merchandise and to provide any other information necessary to enable Customs to properly assess duties, collect accurate statistics, and determine whether other applicable legal requirements, if any, have been met. The Customs Service is then responsible for fixing the final classification and value of the merchandise. An importer of record's failure to exercise reasonable care could delay release of the merchandise and, in some cases, could result in the imposition of penalties.

The Office of Regulations and Rulings has been given a major role in meeting Customs informed compliance responsibilities. In order to provide information to the public, Customs has issued a series of informed compliance publications, and videos, on new or revised Customs requirements, regulations or procedures, and a variety of classification and valuation issues.

The Port of Detroit and the National Commodity Specialist Division of the Office of Regulations and Rulings have prepared this publication on ***Vehicles, Parts and Accessories Under the HTSUS*** as part of a series of informed compliance publications regarding the classification and origin of imported merchandise. We sincerely hope that this material, together with seminars and increased access to Customs rulings, will help the trade community to improve, as smoothly as possible, voluntary compliance with Customs laws.

The material in this publication is provided for general information purposes only. Because many complicated factors can be involved in customs issues, an importer may wish to obtain a ruling under Customs Regulations, 19 CFR Part 177, or to obtain advice from an expert who specializes in customs matters, for example, a licensed customs broker, attorney or consultant. Reliance solely on the information in this pamphlet may not be considered reasonable care.

Comments and suggestions are welcomed and should be addressed to the Assistant Commissioner at the Office of Regulations and Rulings, U.S. Customs Service, 1300 Pennsylvania Avenue, NW, Washington, D.C. 20229.

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## Introduction

When goods are imported into the Customs Territory of the United States (the fifty states, the District of Columbia and Puerto Rico), they are subject to certain formalities involving the U.S. Customs Service. In almost all cases, the goods are required to be “entered,” that is, declared to the Customs Service, and are subject to detention and examination by Customs officers to insure compliance with all laws and regulations enforced or administered by the United States Customs Service. As part of the entry process, goods must be “classified” (determined where in the U.S. tariff system they fall) and their value must be determined. Pursuant to the Customs Modernization Act, it is now the responsibility of the importer of record to use “reasonable care” to “enter,” “classify” and “value” the goods and provide any other information necessary to enable the Customs Service to properly assess duties, collect accurate statistics, and determine whether all other applicable legal requirements are met.

Classifying goods is important not only for duty purposes, but also for determining whether the goods are subject to quotas, restraints, anti-dumping or countervailing duties, embargoes or other restrictions. The act of classifying goods is complex and requires an importer to be familiar with the *Harmonized Tariff Schedule of the United States* (HTSUS), its 99 chapters, rules of interpretation, and notes. A detailed discussion of the HTSUS may be found in a companion publication entitled, *What Every Member of the Trade Community Should Know About Tariff Classification*. Customs valuation requirements are separately discussed in a companion publication entitled, *What Every Member of the Trade Community Should Know About Customs Value*. Both of these publications are available from the Customs World Wide Web pages on the Internet (see the Additional Information section for information on accessing these sources and obtaining additional Customs Service publications).

Classification of merchandise under the Harmonized Tariff Schedule of the United States is in accordance with the General Rules of Interpretation (GRI's). GRI 1 provides that classification shall be determined according to the terms of the headings and any relative section or chapter notes.

The *Harmonized Commodity Description and Coding System Explanatory Notes* (referred to as E.N. or *Explanatory Notes*)<sup>1</sup> constitute the official interpretation of the Harmonized System at the international level. While not legally binding nor dispositive, the E.N.s provide a commentary on the scope of each heading of the Harmonized System and are generally indicative of the proper interpretation of these headings. See T.D. 89-80, 54 FR 35127, 35128 (August 23, 1989).

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<sup>1</sup> The *Harmonized Commodity Description and Coding System Explanatory Notes - Second Edition* is © 1996 Customs Cooperation Council (working name: World Customs Organization (WCO)), Rue du Marché, B-1210 Brussels, Belgium.

The HTSUS, is a rather intimidating piece of work. It is nearly four inches thick and has more than 10,000 different ten-digit tariff classifications in it.

Vehicles (other than railway or tramway rolling-stock) are provided for in Chapter 87. Many of the parts and accessories for such vehicles are also classifiable in Chapter 87, but there are many exceptions. Knowing which tariff classification applies to a given article is not as easy as one might think. For one thing, as mentioned above, there are General Rules of Interpretation (GRIs for short) listed in the front of the book which govern tariff classification. For another, the legal notes to Section XVII, which includes Chapter 87, exclude many items which would seemingly go there.

The goal of this publication is to explain in simple layman's language how such vehicles and their parts and accessories are classified so that importers, exporters, customs brokers and Customs officers will know how to classify them correctly.

Before getting into specifics, however, a clarification of what constitutes a "vehicle" would appear to be in order. The term "vehicle" is derived from the Latin word "*vehiculum*." It means a carriage or conveyance. The type of vehicles which go in Chapter 87 are, **for the most part**, those whose main function is to transport people or things from one place to another (three exceptions: tractors, special purpose motor vehicles and armored fighting vehicles). Mobile machines in which a propelling base forms an integral part of a machine designed for handling, excavating, etc. are not considered for tariff purposes to be vehicles of Chapter 87. Fork lift trucks, excavators, bulldozers, front end loaders and the like are classifiable in Chapter 84 along with other "Machinery and Mechanical Appliances."

## The Headings Of Chapter 87

Altogether there are sixteen different four-digit tariff headings or main groupings in Chapter 87. These are:

- 8701 Tractors (other than tractors of heading 8709)
- 8702 Motor vehicles for the transport of ten or more persons, including the driver
- 8703 Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 8702), including station wagons and racing cars
- 8704 Motor vehicles for the transport of goods
- 8705 Special purpose motor vehicles, other than those principally designed for the transport of persons or goods (for example, wreckers, mobile cranes, fire fighting vehicles, concrete mixers, road sweepers, spraying vehicles, mobile workshops, mobile radiological units)



- 8706 Chassis fitted with engines, for the motor vehicles of headings 8701 to 8705
- 8707 Bodies (including cabs), for the motor vehicles of headings 8701 to 8705
- 8708 Parts and accessories of the motor vehicles of headings 8701 to 8705
- 8709 Works trucks, self-propelled, not fitted with lifting or handling equipment, of the type used in factories, warehouses, dock areas or airports for short distance transport of goods; tractors of the type used on railway station platforms; parts of the foregoing vehicles
- 8710 Tanks and other armored fighting vehicles, motorized, whether or not fitted with weapons, and parts of such vehicles
- 8711 Motorcycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars; side-cars
- 8712 Bicycles and other cycles (including delivery tricycles), not motorized
- 8713 Invalid carriages, whether or not motorized or otherwise mechanically propelled
- 8714 Parts and accessories of vehicles of headings 8711 to 8713
- 8715 Baby carriages (including strollers) and parts thereof
- 8716 Trailers and semi-trailers; other vehicles, not mechanically propelled; and parts thereof

For those concerned with things “automotive,” the principal headings of interest are 8701-8708. Heading 8701 covers all tractors except those of heading 8709 (the term “tractors” is defined in Note 2 to Chapter 87 as “vehicles constructed essentially for hauling or pushing another vehicle, appliance or load” and includes, in subheading 8701.20, road tractors which pull semi-trailers). Heading 8702 covers motor buses and coaches. Heading 8703 covers other vehicles for transporting people, like cars. Heading 8704 covers vehicles for transporting goods. Heading 8705 covers special purpose motor vehicles **other than those principally designed for the transport of persons or goods** (e.g. garbage trucks, even those with compactors, would go in 8704 if their principal function is to transport trash). It does not, however, cover self-propelled wheeled machines in which the chassis and the working machine are specially designed for each other and form an integral mechanical unit (road graders go in Ch. 84). Heading 8706 covers chassis with engines for all the foregoing vehicles, but does not include chassis fitted with engines **and** cabs (they go in headings 8702-8704). Heading 8707 covers bodies, including cabs, for the foregoing vehicles. And lastly, heading 8708 covers parts and accessories for these motor vehicles. In general, articles are “parts” if they cannot be used on their own but must be combined with other articles to form goods capable of

fulfilling an intended function; “accessories” are articles that are not needed to enable the goods with which they are used to fulfill their intended function.

Pretty simple stuff, right? Wrong! As anyone who has followed the ups and downs of sport utility vehicle classification over the years knows, it's not so easy sometimes to determine which heading a given article should have for tariff purposes. If a multipurpose vehicle is suitable for carrying both passengers and cargo, and has characteristics associated with both cars and trucks, should it go in 8703 or 8704? U. S. Customs for many years considered **two**-door sport utility vehicles like the Nissan Pathfinder to be motor vehicles for the transport of goods, which made them subject to a 25% duty. This position was eventually overturned by the courts, however, and such vehicles are now classifiable with motor cars and other motor vehicles principally designed for the transport of persons.

## Parts And Accessories

As complicated as vehicle classification can be, however, it's usually much easier than trying to classify parts and accessories for them. For while heading 8708 reads “Parts and accessories of the motor vehicles of headings 8701 to 8708,” it does not cover all such parts.

In order for motor vehicle parts or accessories to be classifiable under 8708, they must satisfy **all** three of the following conditions:

1. They must be identifiable as being suitable for use solely or principally with motor vehicles of heading 8701-8705.
2. They must not be excluded by Section XVII, Note 2.
3. They must not be more specifically provided for elsewhere in the HTSUS.

As we said in the beginning, classification is governed by six GRIs. Of these, the most important is the first one. GRI 1 provides that classification shall be determined according to the terms of the headings and any relative section or chapter notes. If you can classify goods using it, there is no need to refer to the others which follow in sequential order.

Since the provisions for motor vehicles in Chapter 87 are incorporated in Section XVII of the HTSUS, the legal notes to that section are particularly important. It is from there, in fact, that the first two conditions given above are derived. The third condition is based on GRI 3(a) which states that when goods are classifiable under two or more headings, the heading which provides the most specific description shall be preferred. The Additional U. S. Rules of Interpretation, which follow the GRIs in the book, reinforce this principle by providing in paragraph 1(c) that a provision for parts of an article covers products solely or principally used as a part of such articles, but a provision for “parts” or

“parts and accessories” shall not prevail over a specific provision for such part or accessory.

Unless one is dealing with parts which have multiple applications on motor vehicles of Chapter 87 **and** machines of Chapter 84, the first of these conditions is not likely to be a problem. Most parts used on cars and trucks are, after all, usually used only on motor vehicles--not other machines. The second condition, however, is another story. The exclusions listed in the notes to Section XVII are many and, to the untrained observer, easy to overlook. Among other things, these notes exclude all joints, washers or the like **of any material**; articles of vulcanized rubber other than hard rubber; parts of general use, as defined in Note 2 to Section XV (whether made of base metal or plastic); and gears and other transmission equipment of heading 8483 which are integral components of engines or motors (clutches, gears, torque converters. Other vehicle transmission equipment of heading 8483 which is **not** an integral component of engines or motors goes in 8708).

In a similar vein, one must also keep in mind that some automotive parts and accessories which **are** specifically provided for in other chapters may still be classifiable in heading 8708 if they are excluded by other section or chapter notes. One not only has to be aware of Section XVII's notes, but those of other sections and chapters that might apply. Chapter 39, for example, has a note which excludes parts of vehicles of Section XVII. Consequently, a plastic hose or tube which is a finished auto part would go under 8708 rather than 3917 which is a specific provision.

It is also important to keep in mind that legal notes in one place may be offset in another section or chapter. The aforementioned Chapter 39 legal note excluding parts of Section XVII vehicles does not mean that plastic gaskets or plastic mountings and fittings for doors, windows and coachwork go in 8708. Such articles are excluded from Chapter 87 by the exclusionary notes to Section XVII which cover “joints, washers or the like of any material” and “parts of general use.”

## Parts Of General Use

The term “parts of general use,” incidentally, is one that is often misunderstood by importers and exporters who come across the phrase. Contrary to what a lot of people think, it does **not** mean “parts which have multiple applications” or “parts which have no principal use.” Made-to-order parts which are suitable for only one particular application and are not good for anything else can still be “parts of general use.” The term has a very precise legal definition which may be found in Note 2 to Section XV. For purposes of Section XVII, it means the following types of articles whether made of iron or steel, some other base metal, or plastic:

### I. Articles of heading:

- 7307 Tube or pipe fittings (e.g. couplings, elbows, etc.)
- 7312 Stranded wire, ropes, cables, slings and the like, not electrically insulated
- 7315 Chain and parts thereof

- 7317 Nails, tacks, drawing pins, corrugated nails, staples (other than those of heading 8305) and similar articles
- 7318 Screws, bolts, nuts, coach screws, rivets, cotters, cotter pins, washers and similar articles

## II. Springs and leaves for springs, other than clock or watch springs

## III. Articles of heading:

- 8301 Padlocks and locks; clasps and frames with clasps, incorporating locks; keys and parts of the foregoing articles
- 8302 Mountings, fittings and similar articles suitable for furniture, doors, windows, coachwork, trunks, chests, or the like; hat racks, hatpegs, brackets and similar fixtures; castors; automatic door closers
- 8306 Photograph, picture or similar frames; mirrors; and parts thereof
- 8308 Clasps, frames with clasps, buckles, buckle clasps, hooks, eyes, eyelets and the like and parts thereof of a kind used for clothing, footwear, awnings, handbags, travel goods or other made up articles; tubular or bifurcated rivets; beads and spangles
- 8310 Sign plates, name plates, address plates and similar plates, numbers, letters and other symbols, and parts thereof, except for those of heading 9405 (which covers illuminated signs, illuminated nameplates and the like, having a permanently fixed light source)

## Parts Provided For Elsewhere

Of all the classification mistakes made by persons who are trying to classify auto parts using the HTSUS, the one most frequently encountered by U. S. Customs import specialists has to do with the third condition mentioned earlier – classifying parts and accessories under heading 8708 when they are more specifically provided for elsewhere (and there are no legal notes requiring that they go in Chapter 87). While a complete listing of all such parts is beyond the scope of this booklet, a partial list of some of the more common ones and their appropriate headings appears below:

DESCRIPTION	HTSUS
Air conditioners	8415
Alternators	8511
Antennas	8529
Antifreeze	3820
Batteries	8507

DESCRIPTION	HTSUS
Bearings, ball and/or roller	8482
Bearing housings and housed bearings	8483*
Bearings, plain shaft type	8483*
Belts of rubber	4010
Bodies (including cabs)	8707

DESCRIPTION	HTSUS
Bolts & other fasteners of steel	7318
Brake friction material & articles, not mounted, of asbestos, some other mineral substance, or cellulose	6813
Bushings (if plain shaft bearings)	8483*
Cable, electrical	8544
Cable, non-electrical, of steel	7312
Capacitors	8532
Camshafts & crankshafts	8483
Carpets, tufted	5703
Carpets, woven, not tufted or flocked	5702
Chain of steel (including timing chain)	7315
Chain sprockets	8483*
Chassis fitted with engine	8706
Cigarette lighters	9613
Circuit breakers	8536
Clamps of steel for hoses	7326
Clocks	9104
Clutch friction material & articles, not mounted, of asbestos, some other mineral substance, or cellulose	6813
Compressors	8414
Control Boxes & panels	8537
Decals	4908
Defrosters & demisters	8512

DESCRIPTION	HTSUS
Distributors & other ignition/starting equipment	8511
Engines, diesel	8408
Engines, gasoline	8407
Engine parts, not provided for elsewhere	8409
Fans & Blowers	8414
Filters	8421
Fittings & mountings of base metal for doors & windows	8302
Fittings of steel for pipes & tubes	7307
Flexible tubing of base metal	8307
Floor mats of rubber	4016
Flywheels	8483*
Fuel injectors for gasoline engines	8481
Fuel injectors for diesel engines	8413
Fuses & similar electrical apparatus	8536
Gauges	9026
Gaskets, washers & other seals of asbestos	6812
Gaskets, washers & other seals of cork	4504
Gaskets, washers & other seals of paper	4823
Gaskets, washers & other seals of plastic	3926
Gaskets, washers & other seals of rubber	4016

DESCRIPTION	HTSUS
Gaskets made of metal sheeting combined with other material or other layer(s) of metal	8484
Gasket kits with gaskets of dissimilar composition	8484
Gears	8483*
Generators	8511
Handles & knobs of plastic	3926
Handles & knobs of rubber	4016
Harnesses, electrical	8544
Heaters, electrical	8516
Hoists, jacks, winches & other lifting equipment	8425
Horns & other sound or visual signaling equipment	8512
Hoses of rubber	4009
Hydraulic cylinders	8412
Integrated circuits	8542
Lamps	8539
Lenses of glass, signaling & optical	7014
Lighting equipment	8512
Locks & keys	8301
Magnets & electromagnetic articles	8505
Manuals & other printed matter	4911
Mirrors	7009
Motors, electric	8501

DESCRIPTION	HTSUS
Motors, hydraulic or pneumatic	8412
Nameplates, signplates, etc. of base metal	8310
Nuts & other fasteners of steel	7318
Pins, cotter or dowel, & other fasteners of steel	7318
Printed circuit boards, blank	8534
Printed circuit boards, populated	8537
Pulleys	8483
Pumps for air	8414
Pumps for liquids	8413
Radios, with or without tape & CD players	8527
Relays & similar electrical apparatus	8536
Resistors, electrical	8533
Rivets of steel, except the bifurcated or tubular kind	7318
Rivets of base metal, bifurcated or tubular kind	8308
Screws & other fasteners of steel	7318
Seals of plastic	3926
Seals of rubber	4016
Seats, cushions & other articles of furniture	9401
Shafts, transmission	8483*
Sparkplugs	8511
Speedometers & odometers	9029

DESCRIPTION	HTSUS
Springs of steel	7320
Springs of copper	7416
Starter motors	8511
Studs & other fasteners of steel	7318
Switches & similar electrical apparatus	8536
Tape & CD players without a radio	8519
Thermostats, without valves	9032
Tires	4011
Tool kits consisting of different kinds of hand tools	8205

DESCRIPTION	HTSUS
Transformers, electrical	8504
Turbochargers	8414
Universal joints	8483*
Valves	8481
Voltage regulators	8511
Washers & other fasteners of steel	7318
Windshield window safety glass	7007
Windshield wipers	8512
Wire & wiring sets, electrical	8544
Wrenches	8204

\* Automotive parts provided for in heading 8483 are only classifiable there if they are integral parts of engines or motors. Clutches, torque converters and other power transmission equipment of 8483, which are not integral parts of engines or motors, fall under heading 8708 per Note 2(e) to Section XVII and the Explanatory Notes to 8483.

When consulting the above list, please keep in mind that it is being offered for reference purposes only and does not reflect the official position of how U.S. Customs thinks every part described should be classified. A chassis fitted with an engine and a cab, for example, is considered an unfinished vehicle rather than a chassis for purposes of 8706. Non-electrical steel cable of specific length and thickness which has special fittings and has assumed the character of articles of other headings may go in 8708 rather than 7312. Populated printed circuit boards, control modules and sensors which perform a measuring, checking, automatic regulating or controlling function with respect to liquids, gases, temperature, etc. may be classifiable under headings 9026-9032 rather than 8537. Valves are provided for in heading 8481, but intake and exhaust "valves" for internal combustion piston engines are classifiable under 8409 because they do not incorporate a valve body. Thermostats which consist of a valve are considered valves of 8481--not thermostats of 9032. Clutch facings containing mineral substances which are not the principal or fundamental substances do not have a basis of mineral substances and would fall under 8708 rather than 6813. Also, be aware that parts of parts are usually provided for within the same heading or a subsequent one in close proximity, but some components may be specifically provided for elsewhere or precluded by section or chapter notes (e.g. windshield wipers go in 8512, but the rubber refill blades for them go under 4016).

## Good Invoicing Is Essential

Even if a person knows the GRIs like his own social security number and is aware of all the relevant legal and explanatory notes, classification is just guesswork if invoices do not give complete and accurate descriptions of what is being imported. This is especially true where there is a lack of uniformity between Customs and trade definitions. Fasteners are a good case in point. Many shippers of automotive parts consider just about any threaded fastener that can be used with a nut to be a "bolt." To Customs and the fastener industry, however, a threaded fastener which is used with a nut **may** be a "screw" that has a duty rate which is more than eight times higher! According to the Explanatory Notes for heading 7318, a bolt is designed to engage in a nut, whereas screws for metal are more usually screwed into a hole tapped in the material to be fastened. Screws are therefore generally threaded throughout their length, whereas bolts usually have a part of the shank unthreaded. These are, however, just a few of the characteristics that need to be examined. Both Customs and the fastener industry rely on a whole series of primary and supplemental criteria to distinguish a bolt from a screw.

Some other terms for auto parts that can be a problem because they are so vague are "actuator," "bearing," "gasket," "seal," "solenoid," "valve," and "washer." Such descriptions by themselves are too broad to classify the goods properly, and there is more than one classification and duty rate which could apply. Without more specific information, Customs officers may assume the classification with the highest duty rate is the right one--



to the detriment of the party paying the duties. Needless to say, it is to the shipper and importer's advantage to make sure such articles are described fully enough to avoid further inquiries or unwarranted additional duty assessments from Customs.

## APTA And NAFTA

No discussion of automotive classification would be complete, of course, without some mention of the Automotive Products Trade Act (APTA) of 1965 and the North American Free Trade Agreement (NAFTA) which went into effect on January 1, 1994. Under APTA, motor vehicles and original motor vehicle equipment which met the criteria for "Canadian articles" and fell in certain designated tariff provisions have been eligible for duty free entry. The eligible provisions are indicated in the HTSUS by a "B" in the Special Rates of Duty column. The rules of eligibility are far too complex to try to explain here, but are spelled out in detail in General Note 5 of the HTSUS and section 10.84, of the Customs Regulations of the United States (title 19 Code of Federal Regulations, section 10.84).

NAFTA is significant because it (1) reduced the rates of duty on originating Canadian service parts which were not eligible for APTA because they did not go into original equipment manufacture (OEM) use and (2) extended preferential trade benefits to Mexico. The letters "CA" in the Special Rates of Duty column of the HTSUS indicate the free or reduced rate that applies to "originating" Canadian parts, while a "MX" denotes the free or reduced rate that applies to Mexican parts which qualify. One major change under NAFTA is that non-originating articles can be exported to Canada for repairs or alterations and receive on their return duty-free treatment (if repaired or altered under warranty) or reduced FTA rates (if not covered by a warranty), **regardless of their origin**. Goods repaired or altered in Mexico, whether or not pursuant to a warranty, qualify for duty-free entry. No certificate of origin is required, but the regulations require declarations from the person performing such repairs or alterations, and the owner, importer, consignee or an agent thereof to substantiate the facts of the transaction. These latter documents may, however, be waived by Customs when, because of the nature of the goods or production of other evidence, it is apparent that the goods qualify.

As with APTA, the rules of NAFTA eligibility are too complicated to deal with here, but they are explained in great detail in General Note 12 of the HTSUS and in Part 181 of the Customs Regulations (note: the NAFTA regulations covering country of origin marking are in Part 102).

If after consulting these sources you are still confused about such concepts as "rules of origin," "regional value content," "preference criterion," the difference between the "transaction value method" and the "net cost method," etc., U. S. Customs has published an excellent handbook on the subject called "The North American Free Trade Agreement--A Guide to Customs Procedures" (Customs Publication No. 571). It's available on the U.S. Customs Service web site: <http://www.customs.gov>

## Foreign Trade Zones

One additional final topic we would be remiss not to mention is Foreign Trade Zones (FTZs). FTZs, which are sometimes known internationally as “free zones” or “free trade zones,” are enclosed geographic areas where imported and domestic merchandise may be brought without being subject to the Customs laws of the United States. While in an FTZ, goods may be stored or processed through a variety of operations, and later be re-exported without payment of duties. Duties and taxes are only payable if and when the imported merchandise is entered into U. S. commerce for consumption. Unlike the zones established in most other countries, U. S. zone importers have the advantage of being able to choose when the goods enter the zone whether they want them to be assessed the duty rate of the merchandise in its condition at the time it is placed in the zone (privileged foreign status) or in its condition when it is entered for consumption from the zone (nonprivileged foreign status). The first FTZ was established on Staten Island in 1936. At last count, there were over 130 public zones and 90 subzones in the United States (a subzone is a special-purpose operation run by a single firm). For more on this subject, see Part 146 of the Customs Regulations and the General Regulations Governing Foreign Trade Zones (15 CFR. Part 400).

### Addendum: Automotive Basket Provisions In Chapter 87 And Most Likely Errors

“Basket Provision” is the common term for tariff numbers which encompass goods which are not classifiable in other, more specific provisions.

Below is a compilation of the most commonly used basket provisions in Chapter 87, and the most likely items which would be classified there erroneously.

It must be remembered that the list indicates only the major errors. And be reminded that all "Parts of General Use" as defined in Note 2 to Section XV are absolutely excluded from any provision in Chapter 87.

HS Number	Description	Possible Errors
8708.10.3050	Bumpers ; other	Fasteners Bumper parts. Metal bumpers which are stamped. Parts of non self propelled vehicles such as trailers.
8708.10.6050	Parts of bumpers: other	Fasteners Metal bumper parts which are stamped. Body parts. Rubber cushions or grommets. Parts of non self propelled vehicles such as trailers.

8708.29.2000	Body stampings	Fasteners Body parts not of metal (eg. Fiberglass). Parts of non self propelled vehicles such as trailers. Bumpers and bumper parts. Very small body stampings.
8708.29.5060	Other parts and accessories of bodies (including cabs):other:other:other.	Fasteners. Bumper parts. Fittings and mountings. Carpeting. Locks and their mechanisms. Weather seals of any material. Glass other than framed windows. Side view mirrors. Chassis parts. Driver side airbags and their parts. Air fresheners. Parts of non self propelled vehicles such as trailers. Parts of driver side airbags. Body Stampings.
8708.39.5050	Brakes and servo-brakes and parts thereof:other:for other vehicles;other.	Fasteners. ABS systems. Unmounted brake linings of mineral. Brake fluid. Wheel hubs and their parts. Axles and other shafts. Springs. Electrical switches and cables. Parts of non self propelled vehicles such as trailers.
8708.60.8050	Non-driving axles and parts thereof: For other vehicles:other.	Fasteners. Wheel hubs and parts. Brake parts. Suspension parts. Driving axles. Parts of non self propelled vehicles such as trailers.

8708.70.6060	Road wheels and parts and accessories thereof:For other vehicles: parts and accessories: other.	Fasteners. Wheel hubs. Brake parts. Tires and tire studs or chains. Wheel rims and covers (hub caps). Parts of non self propelled vehicles such as trailers.
8708.80.4500	Suspension shock absorbers:for other vehicles:other.	Fasteners. Suspension springs...coil and leaf springs. Parts of suspensions. Parts of non self propelled vehicles such as trailers.
8708.92.5000	Mufflers and exhaust pipes: for other vehicles.	Fasteners. Catalytic convertors. Parts of non self propelled vehicles such as trailers. Seals or gaskets of any materials. Vibration control goods containing rubber.
8708.93.7500	Clutches and parts thereof:for other vehicles:other.	Fasteners. Complete clutches. Springs of any kind. Other transmission parts. Clutch release bearings (HS 8482).
8708.99.6700	Other parts for power trains.	Fasteners. clutches or clutch parts. Bearings of Heading 8482. Springs of any kind.
8708.99.7060	Parts for suspension systems: other.	Fasteners. Springs of any kind. Complete suspensions systems. McPherson strut suspensions. Parts for non self propelled vehicles such as trailers.

8708.99.7360	Parts for steering systems:Other	Fasteners. Complete steering systems. Suspension systems parts. Driver side airbags and their parts. Electrical lever systems such as turn signal levers. Horns. Aftermarket steering wheel wraps.
8708.99.8080	Parts and accessories of motor vehicles:other parts and accessories: other:other: other:other.	Fasteners. <b>Parts of specific automotive subsystems indicated above.</b> Fittings and mountings of HS 8302. Carpets. Unframed windows. Springs of any kind. Bearings of HS 8482. Parts of motorcycles or invalid carriages. Parts and Accessories which may be classified in other headings as more specific such as luggage, furniture parts, lighting goods and other electrical apparatus, pumps, valves, etc. Parts of non self propelled vehicles such as trailers. Parts of passenger side airbags.

This booklet was prepared to assist importers, exporters and other members of the international trade community better understand the somewhat complex, and at times confusing, classification provisions and rules that apply to motor vehicles, parts and accessories. Hopefully we have cleared up some misconceptions and provided a reference guide which will prove to be useful to the reader in the future.

## Additional Information

The U. S. Customs Service's home page on the Internet's World Wide Web, provides the trade community with current, relevant information regarding Customs operations and items of special interest. The site posts information -- which includes proposed regulations, news releases, Customs publications and notices, etc. -- that can be searched, read on-line, printed or downloaded to your personal computer. The web site was established as a trade-friendly mechanism to assist the importing and exporting community. The web site contains the most current electronic versions of, or links to:

- Customs Regulations and statutes
- Federal Register and public information notices
- The Customs Bulletin and Decisions
- Binding Rulings
- Publications including-
  - *Importing Into the U.S.*
  - other Informed Compliance Publications in the "*What Every Member of the Trade Community Should Know About:...*" series
  - *Customs Valuation Encyclopedia*
- Video Tape availability and ordering information
- Information for small businesses

The web site links to the home pages of many other agencies whose importing or exporting regulations Customs helps to enforce. The web site also links to the Customs Electronic Bulletin Board (CEBB), an older electronic system on which Customs notices and drafts were posted. Since December 1999, the CEBB has been only accessible through the web site. Finally, Customs web site contains a wealth of information of interest to a broader public than the trade community -- to international travelers, for example.

The Customs Service's web address is <http://www.customs.gov>.

The information provided in this publication is for general information purposes only. Recognizing that many complicated factors may be involved in customs issues, an importer may wish to obtain a ruling under Customs Regulations, 19 CFR Part 177, or obtain advice from an expert (such as a licensed customs broker, attorney or consultant) who specializes in Customs matters. Reliance solely on the general information in this pamphlet may not be considered reasonable care.

Additional information may also be obtained from Customs ports of entry. Please consult your telephone directory for a Customs office near you. The listing will usually be found under U.S. Government, Treasury Department.

## **“Your Comments are Important”**

The Small Business and Regulatory Enforcement Ombudsman and 10 regional Fairness Boards were established to receive comments from small businesses about federal agency enforcement activities and rate each agency's responsiveness to small business. If you wish to comment on the enforcement actions of U.S. Customs, call 1-888-REG-FAIR (1-888-734-3247).

**REPORT SMUGGLING 1-800-BE-ALERT**



**Visit our Internet web site: <http://www.customs.gov>**